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INFO OCT-01 AF-10 EUR-25 EA-11 IO-14 ISO-00 PRS-01 AEC-11

AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 EB-11

FEA-02 FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07

OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08

TRSE-00 SSO-00 NSCE-00 INRE-00 PA-04 USIA-15 (ISO) R

DRAFTED BY NEA/P:JEBRIGGS

APPROVED BY NEA/P:JEBRIGGS

S/PRS - MR. KING (INFO)

AF/P - MRS. RUSSELL

IO/P - MR. BLACHLY

EUR/P - MR. SAVAGE

H - MISS FOLGER (INFO)

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FM SECSTATE WASHDC

TO AMEMBASSY JIDDA IMMEDIATE

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

USINT DAMASCUS

USMISSION GENEVA

AMEMBASSY KUWAIT

USINT ALGIERS

AMCONSUL DHAHRAN

AMCONSUL JERUSALEM

AMEMBASSY KHARTOUM

AMEMBASSY MANAMA

AMEMBASSY TEHRAN AMEMBASSY TEL AVIV

INFO ALL NATO CAPITALS IMMEDIATE

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

AMEMBASSY RABAT

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AMEMBASSY MOSCOW

AMEMBASSY SANAA
USMISSION USUN NEW YORK
USINT BAGHDAD
AMEMBASSY DUBLIN
AMEMBASSY TOKYO
USMISSION EC BRUSSELS
USMISSION OECD PARIS
AMEMBASSY NEW DELHI
AMEMBASSY ISLAMABAD

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E.O. 11652: N/A TAGS: PFOR

SUBJECT: DEPARTMENT PRESS BRIEFING

GENEVA FOR MEPC DEL

FOR YOUR INFORMATION AND GUIDANCE FOLLOWING IS PARTIAL EXCERPT FROM DEPARTMENT SPOKESMAN'S PRESS BRIEFING APRIL 5, 1974:

QUOTE: MR. KING: A MEMBER OF THE OFFICE IS PASSING OUT TO YOU A JOINT STATEMENT ON U.S.-SAUDI COOPERATION. I WOULD LIKE TO READ IT IN THE RECORD. THE TEXT OF THE ANNOUNCEMENT IS AS FOLLOWS:

"FOLLOWING DISCUSSIONS BETWEEN THE GOVERNMENT OF THE KING-DOM OF SAUDI ARABIA AND THE UNITED STATES OF AMERICA, THE TWO COUNTRIES ARE PREPARED TO EXPAND AND GIVE MORE CONCRETE EXPRESSION TO COOPERATION IN THE FIELD OF ECONOMICS, TECHNOLOGY AND INDUSTRY, AND IN THE SUPPLY OF THE KINGDOM'S REQUIREMENTS FOR DEFENSIVE PURPOSES.

"HIS ROYAL HIGHNESS PRINCE FAHD BIN ABD-AL-AZIZ HAS ACCEPTED AN INVITATION TO VISIT THE UNITED STATES IN THE NEAR FUTURE TO DISCUSS THESE MATTERS WITH PRESIDENT NIXON AND SECRETARY OF STATE KISSINGER.

IN MOVING TO STRENGTHEN THEIR RELATIONS, BOTH GOVERNMENTS UNCLASSIFIED

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REAFFIRM THEIR HOPE THAT A JUST AND DURABLE PEACE WILL BE REALIZED IN THE MIDDLE EAST SO THAT ALL ITS PEOPLES MAY ENJOY STABILITY AND WORK FOR THE DEVELOPMENT AND PROSPERITY OF THE REGION."

NOW, IT IS WELL-KNOWN THAT THE UNITED STATES HAS HAD A LONG AND CLOSE RELATIONSHIP WITH SAUDI ARABIA, STEMMING FROM OUR MUTUAL INTERESTS IN THE PEACE AND STABILITY IN THE PER-

SIAN GULF, ARABIAN PENINSULA AREA, IN THE IMPORTANT ROLE OF THE AMERICAN OIL COMPANIES IN THE AREA, AND ALSO IN OUR LONGSTANDING SUPPORT, GOING BACK SOME DECADES, FOR SAUDI ECONOMIC DEVELOPMENT AND MODERNIZATION OF SAUDI ARABIAN DEFENSE FORCES.

NOW, DESPITE THESTRAINEDRELATIONS WHICH AROSE DURING THE OIL EMBARGO, WE HAVE REMAINED IN CLOSE TOUCH WITH OUR SAUDI FRIENDS. SINCE THE EMBARGO HAS BEEN LIFTED, WE HAVE BEEN DISCUSSING IN A MORE CONCRETE WAY HOW WE CAN DEEPEN AND EXTEND OUR COOPERATION IN A NUMBER OF RESPECTS, ESPECIALLY IN THE AREAS OF ECONOMICS, TECHNOLOGY AND INDUSTRY.

NOW, IT IS PREMATURE TO SPECULATE ON WHAT SPECIFIC FORMS THIS COOPERATION WILL TAKE. WE ARE TALKING WITH THE SAUDIS ABOUT ESTABLISHING SOME MECHANISMS -- FOR EXAMPLE, JOINT COMMISSIONS ON ECONOMIC AND TECHNOLOGICAL EFFORTS HAVE BEEN MENTIONED IN SOME REPORTS I HAVE SEEN RECENTLY. BUT AS I SAID, IT IS A LITTLE EARLY TO SPECULATE ON JUST WHAT THE FORMS WILL BE TO EMERGE FROM FURTHER DISCUSSIONS.

WHAT IS IMPORTANT TO KEEP IN MIND HERE IS OUR PURPOSE -AND THAT IS TO BROADEN AND DEEPEN THE ENTIRE UNITED STATESSAUDI ARABIAN RELATIONSHIP IN WAYS THAT WILL ENHANCE
STABILITY IN THE MIDDLE EAST, TO SUPPORT OUR EFFORTS TO
ACHIEVE A JUST AND DURABLE SETTLEMENT IN THE AREA, AND TO
BRING ABOUT CONSTRUCTIVE COOPERATION IN AREAS OF IMPORTANCE
TO GLOBAL ECONOMIC ORDER. AND I WOULD INCLUDE IN THAT
QUESTIONS OF ENERGY AND INTERNATIONAL MONETARY AFFAIRS.

FINALLY, IT IS IMPORTANT TO NOTE HERE THAT THIS INITIATIVE DOES NOT REPRESENT ANY CHANGE IN OUR MIDDLE EAST POLICY IN UNCLASSIFIED

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RESPECT TO OUR CONTINUED SUPPORT FOR THE INDEPENDENCE AND INTEGRITY OF ISRAEL.

Q. WHO IS PRINCE FAHD?

A. HE IS SAUDI ARABIA'S SECOND DEPUTY PRIME MINISTER. HE IS ADDITIONALLY THE MINISTER OF INTERIOR AND CHAIRMAN OF THE SAUDI CABINET COMMITTEE WHICH IS CONCERNED WITH ECONOMIC AND INVESTMENT POLICY MATTERS.

Q. WHAT ABOUT REPORTS THAT THE DISCUSSIONS HAVE INCLUDED TALKS OF SELLING THE SAUDIS A NUMBER OF FIGHTER JETS?

A. WELL, THEY WILL CONCERN SAUDI DEFENSE AND SECURITY AFFAIRS, OBVIOUSLY. BUT WITH RESPECT TO THE SPECIFIC QUESTION I GATHER YOU ARE RAISING THE MATTER OF THE SALE

OF AMERICAN F-4 AIRCRAFT TO SAUDI ARABIA, THAT WHOLE MATTER IS NOT REALLY ADVANCED BEYOND WHERE WE LAST LEFT IT. THERE IS NOTHING TO REPORT. THE SAUDIS CONTINUE TO EXAMINE VARIOUS OPTIONS TO MEET THEIR LONG-TERM AIR DEFENSE REQUIREMENTS.

Q. DOES THIS REPRESENT A CHANGE IN THE ADMINISTRATION'S ATTITUDE TOWARDS BILATERAL DEALS BETWEEN CONSUMER COUNTRIES AND ENERGY PRODUCING COUNTRIES?

A. NO. IT DOES NOT.

 $\mathbf{Q}.\,$ HAS THERE BEEN CONSULTATION WITH THE COMMON MARKET ON THIS?

A. LET ME JUST SAY, IN ANSWER TO YOUR FIRST QUESTION THAT WE ARE NOT ENGAGED IN ANY DISCUSSIONS WITH THE SAUDIS TO GAIN A PREFERRED POSITION AT THE EXPENSE OF OTHER CONSUMING NATIONS WITH RESPECT TO THE PURCHASE OF SAUDI ARABIAN OIL.

THE UNITED STATES INTENDS TO CONTINUE TO PRESS FOR MULTI-LATERAL SOLUTIONS TO THE WORLD PETROLEUM PROBLEM.

NOW, YOU ASKED SOMETHING ELSE.

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Q. YES -- ABOUT CONSULTATIONS WITH THE COMMON MARKET ABOUT OUR DEVELOPING RELATIONSHIP WITH SAUDI ARABIA.

A. YES. WE HAVE CONSULTED WITH THE EUROPEANS, WITH JAPAN AND ISRAEL, AS WELL AS WITH OTHER ARAB STATES HAVING BEEN INFORMED.

Q. IS THIS NOT IN FACT A MAJOR U.S. COMMITMENT TO HELP IN THE INDUSTRIALIZATION OF SAUDI ARABIA, INCLUDING THE CONSTRUCTION OF A 200-MILLION-TON-A-YEAR STEEL MILL?

A. WELL, THE QUESTION OF AMERICAN PARTICIPATION IN SAUDI ARABIA'S INDUSTRIALIZATION AND ITS ECONOMIC DEVELOPMENT OBVIOUSLY IS ONE OF THOSE MATTERS THAT WE EXPECT WILL BE TOUCHED ON IN THESE DISCUSSIONS AS THEY GO FORWARD. BUT YOUKNOWALREADY THAT A NUMBER OF AMERICAN COMPANIES, AND POSSIBLY SOME EUROPEANS, ARE ALREADY EXPLORING WAYS WITH THE SAUDIS ABOUT POSSIBLE JOINT VENTURES INVOLVING AMERICAN TECHNOLOGY AND PRIVATE SECTOR CAPABILITIES, AND SAUDI CAPITAL AND NATURAL RESOURCES, WHICH WOULD BE GAS AND OIL. BUT ABOUT A STEEL MILL, I HAVE NOTHING SPECIFIC.

- Q. COULD YOU TELL US ALSO THE FORM THESE DISCUSSIONS WITH THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA TOOK. WAS THIS AMBASSADOR AKINS TALKING TO PRINCE FAHD, OR HOW DID THAT TAKE PLACE. AND OVER WHAT PERIOD OF TIME?
- A. WELL, I AM ALWAYS RELUCTANT TO GET INTO A CLINICAL DISCUSSION OF HOW WE DO OUR BUSINESS. BUT GIVEN THE NATURE OF THE SUBJECT MATTER WE HAVE BEEN DEALING WITH, IT WOULD INVOLVE A NUMBER OF PEOPLE. BUT IT IS A MATTER OF CHANNELS THAT WE HAVE WITH THE SAUDI GOVERNMENT. I SEE NOTHING MYSTERIOUS ABOUT THAT.
- $\mathbf{Q}.$ WELL, WERE MOST OF THE DISCUSSIONS CARRIED ON IN SAUDI ARABIA, OR HERE?
- A. I WOULD SUPPOSE MOST OF THEM WERE CARRIED ON THERE.

MR. KING: I WOULD LIKE TO COME BACK TO DAVID BINDER'S QUESTION, WITH RESPECT TO THE EXTENT O

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